

## Clerk's Report

The Annual Meeting of the Lynnfield Water District was held on April 13, 2016. At that meeting, the 2015 annual reports of the District officers were accepted as published. Richard H. Thorngren was elected moderator for a term of one year, and Ruth E. McMahon was elected to serve as Water Commissioner for a term of three years.

It was voted at the Annual Meeting to raise, transfer and appropriate the sum of \$1,855,770 for the fiscal year ending June 30, 2017, to cover the following projected expenses:

Maintenance & Operations	\$1,172,315
Salaries & Wages	\$ 343,455
New District Office Costs	\$ 195,000
Future System Improvement & Repairs	\$ 100,000
Notes and Interest	\$ 25,000
Reserve Fund	\$ 15,000
OPEB Trust Fund	\$ 5,000
Total Voted	<u>\$1,855,770</u>

The above amount was funded as follows: \$832,660 from anticipated receipts; \$100,000 from Free Cash; \$152,000 from Land Sale Account; and \$43,000 from Office Improvement and Renovations Account. The balance of \$728,110 was to be raised in the tax levy.

Also at the Annual Meeting, the District approved the borrowing of \$1,000,000 to pay for the costs of purchasing a parcel of property and the construction of a new District office and garage facility to be located on such property. Negotiations for the subject property were subsequently unsuccessful.

Two special meetings of the District were held in 2016. On March 14, the District voted to authorize the borrowing of \$400,000 from the Massachusetts Water Resources Authority, to cover the cost of the Locust Street/Ingalls Terrace water main replacement project. On May 19, the District approved the sale of the \$400,000 bond associated with that project.

Ruth E. McMahon  
District Clerk

## Superintendent's Report

As a result of the drought, an emergency interconnection with the City of Peabody was activated at Ward Terrace. The MWRA billed the City of Peabody directly for their water that passed through the District system.

### Water Service Connections

Commercial Services 113 Residential Services 1,320

### Distribution System

Water is distributed through pipes sized at 2" through 12" consisting of 29 miles.

The storage and delivery of water is from two above-ground standpipes containing more than two million gallons of water. Radio telemetry controls the pumping and storage to the system.

### Maintenance & Projects

During 2016, the District repaired two water main breaks, repaired a leaking water service, replaced a damaged hydrant, and cut and capped one water service to a building to be replaced.

Emergency repairs were completed on the fiberglass roof of the older water storage tank to protect water quality. A leak detection survey was completed for the entire distribution system. Modifications were made to the water easement that passes through the Kelly Jeep property on Rte 1.

The Locust Street and Ingalls Terrace Water Main project was started. The project consisted of the replacement of 1,200 feet of undersized, unlined 2-, 6-, and 8-inch water main with new 6- and 8-inch cement-lined ductile iron water main. The project significantly strengthens the District's distribution system in that area and ensures an adequate supply of water to our customers.

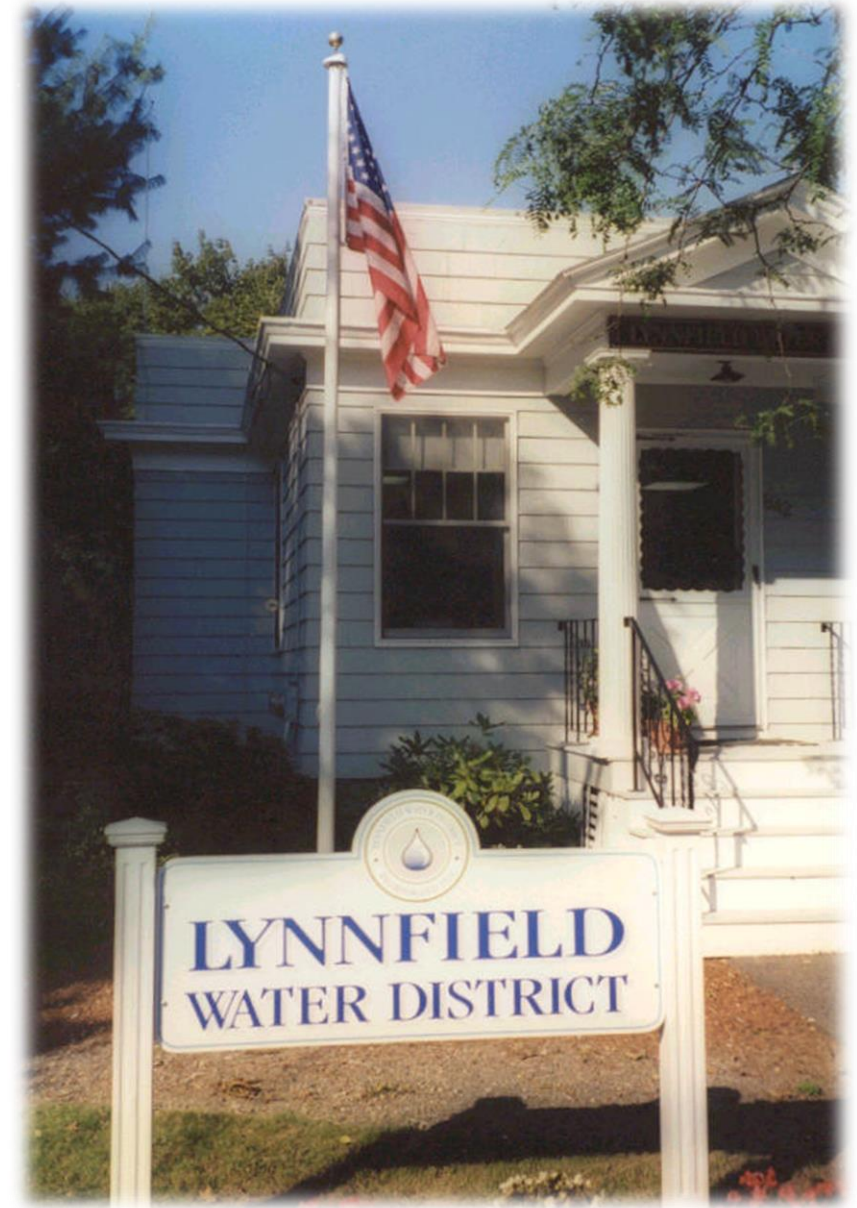
Work started on the following projects:

- Pump Station Energy Evaluation Project (funded by the Massachusetts Department of Energy Resources)
- Update to the Personnel Policy Manual

Work continued on the following projects:

- Study to expand the existing office building
- Design of the new SCADA system
- Design of water main replacement for Locust Street/ Ingalls Terrace
- Cataloging and digitizing District plans, reports and data

James F. Finegan  
Superintendent



## 2016 – NINETY-SECOND ANNUAL REPORT

### Board of Water Commissioners

Ruth E. McMahon, Chair  
John K. Harrigan, Treasurer  
Stephan F. Rondeau, D.C.

# Commissioners' Report

The Board of Water Commissioners is pleased to present its report for the year ended December 31, 2016, the 92nd year of District operations.

Due to office and garage space needs, in 2016 the Board began to explore opportunities for office expansion or relocation within the District. In connection therewith, an offer was made for the former Gould's Florist location; however, the offer was rejected. A study for an expanded and/or reconfigured office at the present location is now underway.

The District strives for continual improvement of the water delivery system. The Summer Street water main replacement project was completed, and a similar project commenced on Locust Street and Ingalls Terrace in 2016. Project funding for Locust Street-Ingalls Terrace was obtained through the Massachusetts Water Resource Authority's Local Water System Assistance Program, which provides no-interest loans for infrastructure improvements.

Due to the unusually dry weather conditions, the District supplied substantially increased water demand from our customers. During the peak summer months, the District pumped 25% more than in the prior year. It was able to do so without imposing usage restrictions, due to the MWRA storage capacity.

The District is a member of the MWRA Advisory Board, which is a forum for discussion of local issues and input to MWRA management.

District Board meetings continue to be held monthly on the 2<sup>nd</sup> Monday of the month.

Ruth E. McMahon, Chair  
John K. Harrigan  
Stephan F. Rondeau, D.C.

Lynnfield Water District Balance Sheet		04/12/2017
As of June 30, 2016		
Balance Sheet		Jun 30, 16
<b>ASSETS</b>		
Current Assets		
Checking/Savings		
EASTERN MAIN CHECKING		430,596.60
EASTERN SYS IMPR&REPAIR STABIL		100,037.82
MMDT MWRA ACCT		400,320.74
UNIBANK ONLINE ACCOUNT		14,923.59
EASTERN BANK OPEB ACCT		25,030.64
EASTERN BANK LAND SALE ACCOUNT		203,225.49
MMDT INVESTMENT		946,737.38
MMDT STABILIZATION		26,170.97
Total Checking/Savings		2,147,043.23
Other Current Assets		
ACCOUNTS RECEIVABLE		
WATER ACCOUNTS RECEIVABLE		20,117.00
MISC ACCOUNTS RECEIVABLE		16,852.00
Kelly Jeep Reimbursements		4,212.50
TAX LIEN RECEIVABLE		6,535.69
2016 REAL ESTATE		6,524.25
2016 PERSONAL PROPERTY		1.07
2015 PERSONAL PROPERTY		0.45
2014 PERSONAL PROPERTY		15.33
Total ACCOUNTS RECEIVABLE		54,258.29
PREPAID EXPENSE		5,325.00
Total Other Current Assets		59,583.29
Total Current Assets		2,206,626.52
Fixed Assets		
LAND		
		1,500.00
INFRASTRUCTURE		
		7,933,799.83
ACCUM. DEPR. INFRASTRUCTURE		-2,519,434.86
BUILDING		
		69,698.00
ACCUM. DEPR. BUILDING		-20,842.00
EQUIPMENT		
		46,312.00
ACCUM. DEPR. EQUIPMENT		-26,760.51
VEHICLES		
		55,826.00
ACCUM DEPR VEHICLES		-30,712.99
WORK IN PROCESS		
		60,564.00
Total Fixed Assets		5,569,949.47
<b>TOTAL ASSETS</b>		<b>7,776,575.99</b>

LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
AIG AMERICAN GENERAL	17.16
PAYROLL LIABILITIES	10,146
2016 LEVY OVERLAY	67,484.03
2015 LEVY OVERLAY	59,924.52
2014 LEVY OVERLAY	11,387.91
SECURITY DEPOSIT PAYABLE	-0.47
Total Other Current Liabilities	138,914.61
Total Current Liabilities	138,914.61
Long Term Liabilities	
BOND PAYABLE	625,000.00
Total Long Term Liabilities	625,000.00
Total Liabilities	763,914.61
Equity	
STABILIZATION FUND SYS IMP&REP	100,037.82
INVESTED CAP ASSETS NET DEBT	4,944,949.47
OPEB TRUST FUND BALANCE	25,030.64
RESERVE SALE OF LWD LAND	107.99
RESERVED SYSTEM DEVELOPMENT	371,711.30
RESERVED FOR CONTINUED APPROPS	648,128.80
RETAINED EARNINGS (SURPLUS)	251,650.14
STABILIZATION FUND	26,170.97
RESERVED FOR SUBSEQU YR EXPENSE	295,000.00
Net Income	349,874.25
Total Equity	7,012,661.38
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>7,776,575.99</b>

Lynnfield Water District Profit & Loss Budget vs. Actual				
July 2015 through June 2016				
	Jul '15 - Jun '16	Budget	Over Budget	% of Budget
Ordinary Income/Expense				
Income				
GENERAL INCOME				
CROSS CONNECTION REVENUES	24,450.00	0.00	24,450.00	100.0%
FIRE SPRINKLER REVENUE	14,750.00	0.00	14,750.00	100.0%
INTEREST ON LAND SALE ACCT	0.00	0.00	0.00	0.0%
INTEREST ON MAIN CHECKING A	186.90	200.00	-13.10	93.45%
INTEREST ON UNIBANK ONLINE A	62.91	10.00	52.91	629.1%
INTEREST ON OPEB ACCOUNT	0.00	0.00	0.00	0.0%
INTEREST ON MMDT INVESTMEN	4,044.70	2,000.00	2,044.70	202.24%
INTEREST ON MMDT MWRA ACC	291.63	100.00	191.63	291.63%
INTEREST ON TAXES	864.62	800.00	64.62	108.08%
PAYMENT IN LIEU OF TAXES (LIFE	3,280.42	0.00	3,280.42	100.0%
MISCELLANEOUS	1,700.40	300.00	1,400.40	566.8%
RENTAL	149,929.41	100,000.00	49,929.41	149.93%
WATER REVENUE	651,559.91	636,735.00	14,824.91	102.33%
Total GENERAL INCOME	851,209.00	740,145.00	110,975.90	114.99%
TAX LEVY	668,512.91	667,286.00	1,226.91	100.18%
Total Income	1,519,633.81	1,407,431.00	112,202.81	107.97%
Gross Profit	1,519,633.81	1,407,431.00	112,202.81	107.97%
Expense				
ALL SALARIES & WAGES				
EXTRA HELP	9,028.52	16,916.00	-7,887.48	53.37%
LONGEVITY	1,800.00	0.00	1,800.00	100.0%
OVERTIME	21,997.82	23,000.00	-1,002.18	95.64%
REGULAR	281,281.99	283,484.00	-2,202.01	99.22%
ALL SALARIES & WAGES - Other	950.00	0.00	950.00	100.0%
Total ALL SALARIES & WAGES	315,058.33	323,400.00	-8,341.67	97.42%
GENERAL EXPENSES				
BENEFITS	-222.89	1.00	-223.89	-22,289.0%
ASSESSORS & COLLECTORS	950.00	950.00	0.00	100.0%
AUDIT	9,950.00	9,950.00	0.00	100.0%
CLOTHING ALLOWANCE	1,498.68	1,540.00	-41.32	97.32%
CONSULTANTS	14,089.38	17,000.00	-2,910.62	82.88%
CROSS CONNECTION EXPENSES	15,820.00	0.00	15,820.00	100.0%
DEP ASSESSMENT	1,285.20	2,000.00	-714.80	64.26%
DUES & MEETINGS & TRAINING	2,063.00	300.00	1,763.00	687.67%
ENGINEERING	0.00	1.00	-1.00	0.0%
EQUIPMENT	181.26	12,600.00	-10,787.74	14.38%
ESSEX REGIONAL RETIREMENT S	60,165.00	60,135.00	30.00	100.03%
FICA - ER	7,234.45	4,200.00	3,034.45	172.25%
GENERAL MAINTENANCE	59,960.01	72,000.00	-12,039.99	83.28%
GROUND & BUILDING	9,638.30	15,000.00	-5,361.70	64.26%
HEAT, LIGHT, POWER	23,249.22	24,200.00	-950.78	96.07%
HYDRANT REPLACEMENT	0.00	5,000.00	-5,000.00	0.0%
INSURANCE-GENERAL	40,432.73	33,400.00	7,032.73	121.06%
INSURANCE-HEALTH	109,653.07	200,000.00	-90,346.93	54.83%
INSURANCE-LIFE	944.01	900.00	44.01	104.89%
INTEREST ON TEMPORARY LOAN	0.00	1.00	-1.00	0.0%
IT - INFORMATION TECHNOLOGY	3,041.00	0.00	3,041.00	100.0%
LEAK DETECTION	3,200.00	1.00	3,199.00	320,000.0%
LEGAL	6,845.50	12,000.00	-5,154.50	57.05%
METERS	7,278.36	5,001.00	2,277.36	145.54%
MILEAGE	2,539.38	2,000.00	539.38	126.97%
OFFICE	18,059.82	18,350.00	-2,90.18	71.17%
OFFICE EQUIPMENT	3,516.48	2,000.00	1,516.48	175.82%
OUT OF STATE TRAVEL	0.00	1.00	-1.00	0.0%
SERVICE CONTRACTS/Code Red	11,321.62	12,000.00	-678.38	94.35%
TELEPHONE	4,882.92	6,000.00	-1,117.08	81.38%
TRUCK	5,780.31	7,000.00	-1,219.69	82.58%
MWRA WATER CHARGES	614,185.00	614,000.00	185.00	100.03%
Total GENERAL EXPENSES	1,034,162.81	1,137,531.00	-103,368.19	90.91%
RESERVE FUND	0.00	0.00	0.00	0.0%
MWRA BOND PRINCIPAL SUMMER ST	25,000.00	25,000.00	0.00	100.0%
MWRA LOAN 2 PRINCIPAL 8/2014	0.00	0.00	0.00	0.0%
OPEB TRUST FUND	5,000.00	5,000.00	0.00	100.0%
Payroll Expenses	0.32			
Total Expense	1,379,221.46	1,490,931.00	-111,709.54	92.51%
Net Ordinary Income	140,412.35	-83,500.00	223,912.35	-168.16%
Other Income/Expense				
Other Income				
BOND PROCEEDS - MWRA	400,000.00	400,000.00	0.00	100.0%
Total Other Income	400,000.00	400,000.00	0.00	100.0%
Other Expense				
Other Expense	0.00	0.00	0.00	0.0%

